

## 50<sup>th</sup> Week - Dry Cargo Market “Highlights” – 04/12/2009 until 11/12/2009

The Baltic Dry Index, continued the decline that has started after 21<sup>st</sup> Nov 2009, losing points every day of this week. It closed on



Friday the 11th of December 2009 just above the 3.5k mark, at **3579** points posing a heavy weekly **loss** of **-12.86%** or **-528** points. (Last Friday's the 4<sup>th</sup> of December 2009 closing value was **4107** points). We had stated in our previous weekly reports that the fundamentals to support such a rise in the BDI and of course in the BCI and BPI indices were just not there. An “anomaly” was eminent in the behavior of the shipping market which has recently (more evident over the past 2 years) incorporated a lot of the qualities and behavioral trends/patterns of the financial markets. Volatility is one of the factors that has become a norm in the Baltic Dry Indices, and market psychology which adds to the volatility effects seriously affecting the index movements. Trying to recall from our statistical memories, we had never faced so severe week-on-week

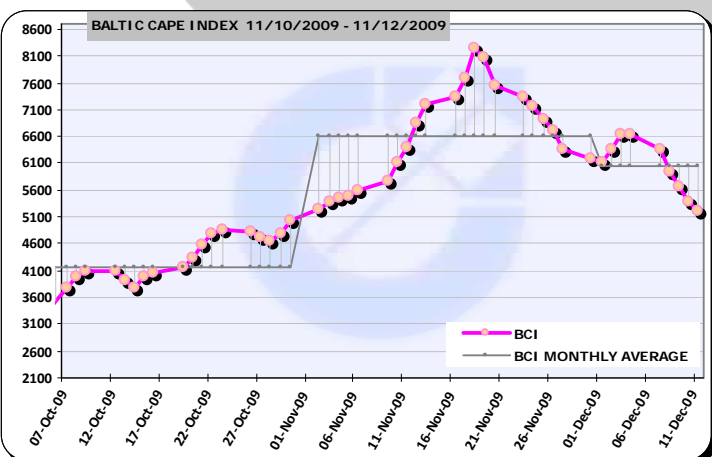
activity either up or down, in the previous years. In percentage terms 10% weekly volatility is very strong, and nowadays we are experiencing 20-25% too on a weekly time horizon. This definitely creates headaches as the benefits of profiting out of short term volatility are not the same as in the Financial markets where you have the necessary trade-ability and liquidity to support your buying and selling appetites. In our Shipping industry it only creates a greater level of uncertainty and sometimes can lead to “sterility” as fear of the unexpected and fear of a directionless market can put off a potential or existing investor in taking the right decision.

In summary form we had (week 50) **BDI, loss, -12.86%**, **BCI, loss, -21.97%**, **BPI, loss, -6.49%**, **BSI, gain, 1.97%**, **BHI, gain, 4.91%**

INDEX	THIS WEEK	LAST WEEK	% CHANGE	POINT DIFF	TREND
S&P500	1106.41	1105.98	0.04%	0.43	▲
DOW-Ind	10471.50	10388.90	0.80%	82.6	▲
NASDAQ	2190.31	2194.35	-0.18%	-4.04	▼
FTSE 100	5261.57	5322.36	-1.14%	-60.79	▼
£ - \$	1.6303	1.6653	-2.10%	-0.035	▼
US\$-Yen	88.8595	88.3196	0.61%	0.5399	▲
Eur-US\$	1.4757	1.5068	-2.06%	-0.0311	▼
Brent Oil	71.44	77.71	-8.07%	-6.27	▼
WTI Spot Price	68.99	75.41	-8.51%	-6.42	▼

Many other financial markets did not fare very well last week. Gold, for instance, fell from a high of 1227.50 on December 3, to a low of 1110 on Friday, December 11. Silver collapsed too, from a high of 1950 to a low of 1690 during the same time frame. Part of the reason for this was the rise in the U.S. Dollar against many currencies, including the Euro. As the Dollar gets stronger, the price of Gold and commodities go down. Crude Oil, for instance, broke below 70.00/barrel during the week. Crude has now declined several weeks after realizing its high of the year at 82.00 on October 21. (StarIQ)

### CAPESIZE MARKET

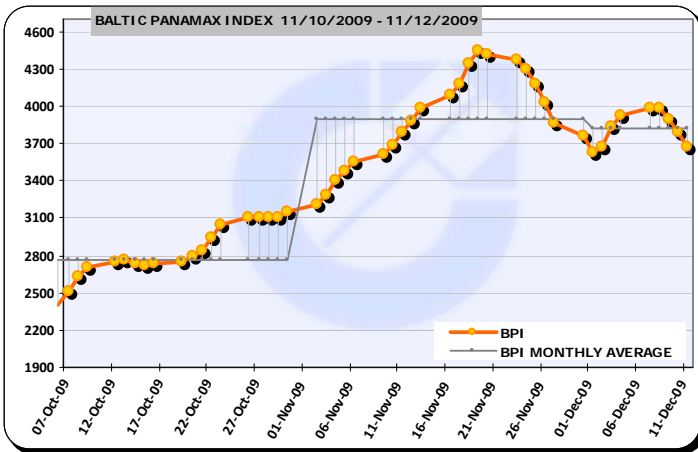


► The **Baltic Cape Index (BCI)** closed on Friday the 11th of December 2009 following the same exact pattern as the BDI with an overall loss just above the 5k points mark, at **5193** points which represents a severe **loss** of **-21.97%** or **-1462** points over previous week's closing on Friday the 4<sup>th</sup> December which was **6655** points. The yearly average of the BCI currently stands at **4162** points which is slightly up by 35 points over last week's calculated annual average. This week's Capesize T/C average rate calculated by our N. Cotzias Shipping Consultants experts, from all T/C fixture data reported during the current running week went down by **-10.30%**, to above the 65k mark at **\$62,700** during this week, from **\$69,900** which was last week's average. Following the rising trend of last week, the numbers of Capes fixed on T/C over the past weeks this week were

down and there were only **five (5)** units of capesize vessel size that were fixed on Time Charter. The daily rates as seen in our separate fixtures report for Capes this week, high/low margins ranged reduced over last week from **\$36,000** (M/V “Zheng Yi” 150k/84blt/Danzas – for a trip via Brazil) up to **\$62,500** (M/V “Amity” 180k/09blt/ BHP Billiton – for a trip via Whyalla).

## PANAMAX MARKET

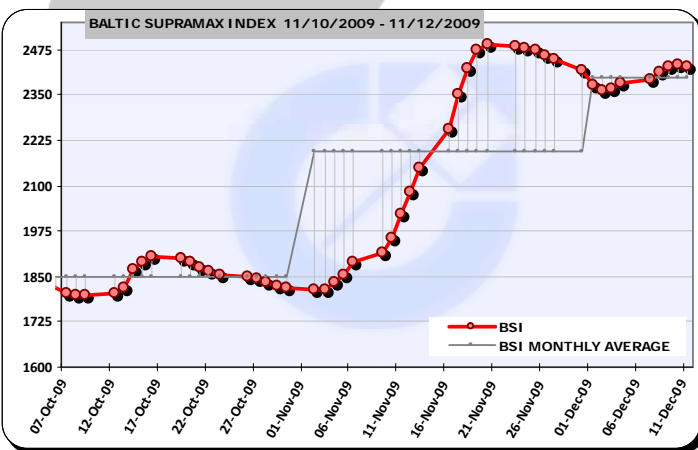
➤ The **Baltic Panamax Index (BPI)** closed on Friday the 11th of December 2009 just above the 3.5k mark, greatly reduced, down at **3673** which represents a **loss of -6.49%** or **-255** points compared to **3928** points which was last Friday the 4<sup>th</sup> December 2009 closing. The Yearly average of the BPI currently stands at **2364** points.



Just like last week and for this running week too the N. Cotzias Shipping Consultants calculated Panamax T/C average rate went up by a very small percentage this week by **0.53%** to **\$31,793** from **\$31,626** which was last week's Panamax T/C average. Pacific Market remained firm and continued to be strong just like 2-3 past weeks, while Atlantic Panamax market opened wider the gap between Pacific vs Atlantic Earning, something that is added up in the market anomaly equation that lead to the unexpected rise in the freight rates. Looking at units chartered on period this week we are still strong although greatly reduced over last week, we are back to below normal T/C activity with **fifty one (51)** Panamax vessels being chartered on Period and T/C's this week (week49). The daily rates as seen in our separate fixtures report for Panamaxes this week, with marginally reduced levels compared to last week ranged from **\$18,000** (M/V "Ecostar GO" 75k/07blt/ BHP Billiton 18,000 for the 1st 55 days and 20000 daily thereafter - trip via Indonesia & Lulea and the M/V "Archon" 75k/01blt/ Cargill – for a trip via Indonesia and Cape of Good Hope) up to **\$58,000** for the (M/V "Lady Z" 75k/09blt/ Marin Bulk – Cargill relet – trip via Black Sea).

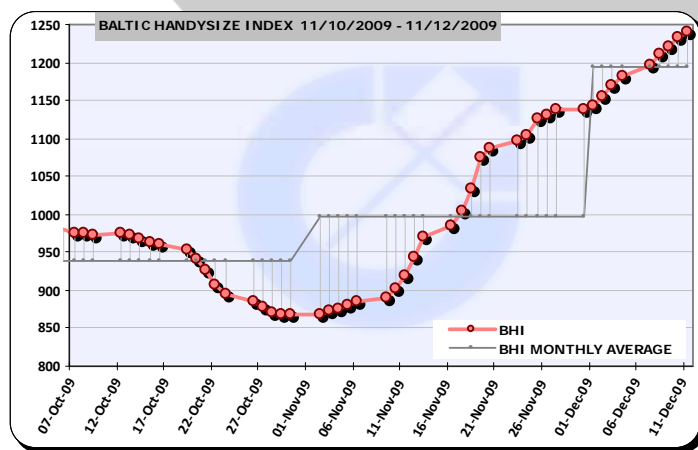
## SUPRAMAX & HANDYMAX MARKET

➤ A small deceleration was seen in the Supramax index which slowed down its uprise towards the end of week 48. However during week 49 and continuing over this current week 50, it is performing a slow but positively upwards sloping move. More specifically the Baltic Supramax Index (BSI), closed on Friday the 11th of December 2009, at **2429** points, with a gain of **1.97%** or **47** points based on the previous **2382** points we had last Friday the 4<sup>th</sup> December 2009 closing. The yearly average for the BSI currently stands at **1632** points.



For this week despite the rise of the Baltic Supramax Index, this week's Supramax Time Charter Cotzias rate average is calculated down at **\$26,886** or **-3.17%** up from **\$27,766** which was last week's Supramax average. Just above last week's average number of **nineteen (19)** Supramaxes were on T/C this week, which in terms of volume/rate is slightly up over previous week's stats. The daily rates in the fixtures reported this week, for Supramaxes ranged from **\$15,750** (for the M/V "Spar Canis" 53.6k/06blt/ Undisclosed Charterer for 2 years trading, together with the sister vessel the M/V "Spar Lynx" 53.5k/05 blt ) up to **\$43,000** (for the M/V "Medi Dubai" 52.5k/01blt/ Ultrabulk for a T/C trip)

➤ The Baltic Handysize index (BHI) is still going on a steep increase (3<sup>rd</sup> consecutive week) and was on a constant rise this week too. As we had predicted it was posed to pass the 1.2k mark, and it did, to close on Friday the 11th of December 2009 with a strong increase at **1240** points and this represents a percentage gain of **4.91%** or a gain of **58** points. The yearly average for the BHI currently stands at **772** points.



This week's Handysize Time Charter that is calculated by NCSC went up marginally by **2.20%** this week to **\$26,571** from **\$26,000** which was last week's average. A great deal less emphasis was given on Handymax fixed this week, and a lower than average number of **six (6)** Handymax vessel was reported on T/C this week with their weekly T/C daily rates for Handy sized vessels ranging on worst levels than last week from **\$18,000** (for the M/V "New Eternity" 45.7k/94 blt / STX PanoOcean for 3min max 5 months trading) up to **\$32,000** (for the M/V "Ken" 46.7k/98 blt / NOM UK for a T/C Trip and the M/V "Ayse Aksoy" 45.7k/95 blt Ultrabulk for a trip via US Gulf).